

**FINDING OF NO SIGNIFICANT IMPACT  
FOR  
Prospector Pipeline Company's North Elko Pipeline Project  
DOI-BLM-NV-N020-2012-0018-EA  
ROW Applications NVN-090665**

I have reviewed Environmental Assessment DOI-BLM-NV-N020-2012-0018-EA (June 2012). After consideration of the environmental effects as described in the EA, and incorporated herein, I have determined that the proposed action with the project design specifications (environmental protection measures) identified in the EA will not significantly affect the quality of the human environment and that preparation of an Environmental Impact Statement (EIS) is not required.

Prospector Pipeline Company (PPC) applied for a right-of-way for an approximately 24 mile long natural gas pipeline connecting the Ruby Pipeline with the Goldstrike Mine. The proposed twelve-inch diameter pipeline and its expected impacts are fully described in the EA and maps contained therein accurately show the proposed location of the pipeline.

I have determined the proposed action is in conformance with the approved Elko Resource Management Plan and is consistent with the plans and policies of neighboring local, county, state, tribal and federal agencies and governments. This finding and conclusion is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), both with regard to the context and the intensity of impacts described in the EA.

Context: The project area is located in the Upper Boulder Valley of Elko County and Eureka County of Nevada. The proposed pipeline would extend from the Ruby Pipeline Mainline Valve 24 near Willow Creek Reservoir to the Goldstrike Mine near the north end of Boulder Valley. The EA has maps and descriptions of the proposed location. The midpoint of the pipeline is about 28 miles northwest of Carlin, Nevada.

The proposed pipeline would carry natural gas from the Ruby Pipeline to the Goldstrike Mine, substituting for the current use of propane delivered by trucks from the railroad facilities near Carlin. The proposed pipeline would provide adequate natural gas for ongoing operations at Goldstrike with enough reserve stored in the pipe volume to provide a natural gas supply of up to two days for mine operations when the Ruby Pipeline is shut down maintenance or other reasons. The proposed pipeline would have an estimated 50 year operating life, although the expected life of mining and mineral processing operations at Goldstrike is presently less than 20 years.

The proposed pipeline would cross several drainages, two of which (Boulder Creek and Bell Creek) have surface water during most of the year. Construction and reclamation measures have been designed to specifically reduce impacts in riparian areas/drainages and address specific reclamation concerns for each area.

Most of the area through which the proposed pipeline would pass has been identified as Preliminary Priority Habitat for Greater sage-grouse. The remainder of the area is Preliminary General Habitat. Both categories require measures to address impacts to Greater sage-grouse habitat such that the proposed action would cumulatively maintain or enhance Greater sage-grouse habitat. This has been accomplished by provisions which would prohibit PPC from constructing the pipeline during lekking and brood-rearing seasons and a conservation agreement in which PPC will fund the restoration of Greater sage-grouse habitat on several hundred acres of wildfire damaged lands near the project area.

Intensity:

*1) Impacts that may be both beneficial and adverse.*

Construction of the proposed pipeline would likely create negative impacts to sage-grouse habitat during construction and for as long as it takes for vegetation to fully reestablish along the route. The expected disturbance would impact 137 acres of existing sage-grouse habitat, although much of the pipeline would be constructed in lands that are recovering from wildfires that occurred in 2006 and 2011. The conservation agreement to reestablish habitat would substantially improve lands where habitat that existed prior to the wildfire was damaged and lost.

Because the pipeline would be located underground there are few, if any, impacts that would exist beyond the direct disturbance to vegetation and the time required for it to be reestablished along the pipeline route. One benefit of that disturbance would be that the pipeline would effectively act as a firebreak until new vegetation is established.

*2) The degree to which the proposed action affects public health or safety.*

The proposed action would not likely affect public health or safety. An analysis within the EA describes the risks associated with underground natural gas pipeline and how those risks are managed and minimized by current design and construction requirements and through stringently enforced operating procedures. Through implementation of these measures, the public health and safety risks associated with projects like the proposed action have been reduced to minimal levels, with the greatest exposure related to the need to use public roads to transport equipment and construction supplies for pipeline construction.

*3) Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.*

The proposed pipeline alignment was designed to avoid all known and likely cultural resource sites. No other types of historic or cultural resources of concern are present, including park lands, prime farmlands, wetlands (other than crossing drainages) wild and scenic rivers, or ecologically critical areas.

*4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.*

None of the issues identified during the NEPA process and analyzed in the EA were deemed to be highly controversial. One comment was received during the public comment period pertaining to the need to coordinate the alignment and construction of the proposed pipeline with

existing and proposed power lines. The applicant met with personnel from Sierra Pacific Power Company (dba NV Energy) to identify and resolve any issues. The BLM received confirmation from NV Energy that the identified concerns were adequately addressed.

5) *The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.*

The proposed pipeline's design, construction and operating and maintenance procedures are based upon standard and proven technology, materials and protocols that meet or exceed industry standards. The design, construction, operation and maintenance of the proposed pipeline will be reviewed, inspected and monitored by the Nevada Public Utilities Commission. There are no risks associated with the proposed pipeline that would be considered unique or unknown within the oil and gas industry.

6) *The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.*

The location of the proposed pipeline is in conformance with the Elko Resource Management Plan. The proposed project is needed to deliver natural gas from a recently completed interstate gas pipeline to an existing mine. The proposed project would be the first to utilize gas from the Ruby Pipeline to serve a local need. Substituting natural gas for the propane and diesel fuels previously used to support mining operations is viewed as beneficial since the proposed pipeline would make it possible to use a cleaner burning fuel that is delivered to the site with less risk and eliminates the dust and air pollution associated with tanker truck delivery.

7) *Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.*

No significant cumulative impacts have been identified in the EA. The voluntary conservation fund for sage-grouse that would be established by PPC would fund a sagebrush re-establishment project on lands damaged by wildfires. This benefit to sage-grouse habitat balances the negative impact to sage-grouse habitat from pipeline construction and disturbance to existing sage brush habitat such that there is no significant cumulative impact to sage-grouse or sage-grouse habitat.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP or may cause loss or destruction of significant scientific, cultural, or historical resources.*

The pipeline was sited to avoid all sites that could be potentially eligible for National Register listing, and to minimize the potential for loss or destruction of any other types of scientific, cultural, or historical resources.

9) *The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the ESA of 1973.*

The project will not affect a listed species or its habitat. However, the project will impact sage-grouse, a "warranted but precluded" species. Although measures have been incorporated into the project design to reduce impacts to sage-grouse, disturbance to existing intact sagebrush habitat cannot be avoided. To compensate for the impact to the intact sagebrush habitat, PPC would fund a project designed to reestablish sage-grouse habitat on several hundred acres of wildfire damaged lands close to the project area.

10) *Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.*

The proposed action will not violate or threaten to violate any Federal, State, or local law or requirement imposed for the protection of the environment.

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8/7/12

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David Overcast, Field Manager

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Date